

Biden announces action following deceptive marketing allegations against Ryan Homes

Media Release

September 11, 2008

Wilmington, DE—Today, Attorney General Beau Biden announced that Ryan Homes will pay hundreds of thousands of dollars and will change its marketing practices following a Delaware Department of Justice investigation of consumer complaints of deceptive marketing involving homeowner fees at the Odessa National development in Townsend, Delaware.

“The Delaware Department of Justice is standing up for consumers who were misled when making one of the most significant financial decisions of their lives – the purchase of their home,” Attorney General Joseph R. Biden, III stated. “We’re holding the developer accountable to the law and making it absolutely clear that they have an obligation to provide full disclosure to consumers.”

Homeowners of Hearthstone, a 55-and-over community within Odessa National, complained that at the time of purchase, Ryan Homes stated that homeowners were exempt from an annual \$800 fee assessment for membership to the development golf course. However, after purchase, those fees were charged to all homeowners as mandatory assessments. Today’s agreement requires Ryan Homes, the trade name of NVR, Inc., to pay the golf-related assessment fees of any homeowner in Hearthstone

who filed a complaint for as long as the homeowner owns the home. In addition, Ryan Homes will reimburse those homeowners \$28,858, representing fees already paid to Odessa National Golf Course, LLC. The Delaware Department of Justice Consumer Protection Fund will also receive \$25,000 in investigative costs. In total, it is expected that Ryan Homes will pay nearly one-half million dollars.

Under the agreement homeowners have the choice of opting out of the golf course fee obligation or to retain their golf club membership and the related assessment fee. Those who choose to opt out will be reimbursed for any golf-related fees already paid. 68 homeowners are eligible to participate in the agreement and must select one of these two options by November 21, 2008.

The agreement also requires Ryan Homes to advise all prospective home purchasers of golf-related fee obligations and to obtain homeowners' signatures on a receipt and acknowledgement form.

Additional Delaware Department of Justice investigations at Odessa National are pending.

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